Amendment   Docket No. PHNL000031
Serial No. 09/773,156

IN THE SPECIFICATION:

Kindly amend the specification as follows:

On page 1 amend the fourth paragraph as follows:

Designing an MPEG encoder is thus a matter of balancing circuitry complexity

and memory capacity (i.e. chip area) versus compression efficiency. Hence, there is a

need for a flexible MPEG encoder. ~~In view thereof, the company of Philips introduced an~~

~~integrated circuit on the market, which allows I- and P- coding only. The circuit produces~~

~~IPPP sequences of images having a resolution of 720×576 pixels, usually referred to as~~

~~'601' or 'D1' resolution~~